

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE****Asset Management & Compliance Section**

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**ASSET MANAGEMENT & COMPLIANCE SECTION
AMC****MANAGEMENT MEMO
Memorandum Number: 05-06**

TO: Sponsors, Owners and Management Agents
of HCD-Assisted Rental Housing Projects

FROM: Janet Marzolf, Section Chief
Asset Management and Compliance Section

SUBJECT: Housing Assistance for Victims of Hurricane Katrina

DATE: September 22, 2005

HCD recognizes that significant damage to property and displacement of households has occurred as the result of Hurricane Katrina. Many organizations want to assist these households in obtaining shelter. We have received a number of inquiries regarding actions that can be taken by our Sponsors to provide housing to Hurricane Katrina evacuees in projects regulated by HCD. This Management Memo is intended to provide guidance on housing Hurricane Katrina victims in HCD-regulated properties.

This Management Memo covers rental housing projects assisted by any of the following HCD rental housing programs: the Multifamily Housing Program (MHP), the California Housing Rehabilitation Program- Rental Component (CHRP-R), the Original and the Bond Rental Housing Construction Programs (RHCP-O and RHCP-B), and the state-administered Home Investment Partnerships (HOME) Program.

Sponsors of HOME projects should seek guidance from HUD with respect to its regulatory relief for Katrina victims.

1. Sponsors of projects containing HCD-Assisted Units are permitted to give preference on their tenant selection waiting lists to Hurricane Katrina victims who have registered with FEMA as Hurricane Katrina victims. HCD hereby approves amendments to tenant selection plans or management plans necessary to provide such a preference, so long as the amendment ensures that a Hurricane Katrina victim will not have preference over existing tenants or any eligible household who has received notice that an Assisted Unit is available to them. Documentation of the amendment to the project's tenant selection procedures or management plan needs to be submitted to HCD for our records.
2. This preference will not include any Assisted Unit which is an SRO unit; a unit in joint HCD/HUD 811 and 202 project; any unit designated as a Special Needs or Supportive Services unit; or Assisted Units that have maximum income levels of 30% of the area median income or less.

3. Hurricane Katrina victims that are placed in Assisted Units will be considered as an assisted household and not subject to any durational limits on their tenancy unless the units are currently designated for transitional housing.
4. Current income limits remain in effect for Assisted Units. For purposes of income verification for initial occupancy, a Sponsor may accept a Hurricane Katrina victim's self certification of income and assets. Incomes for these households need to be recertified in the normal fashion at the next annual recertification (unless that regularly scheduled recertification is within the next 90 days).
5. For Assisted Units occupied by Hurricane Katrina victims, rents will be those approved by HCD for the unit and that amount should be reflected in the lease. Sponsors may collect a different amount, defer rent payments, or provide other concessions to Hurricane Katrina victims. However, in doing so, Sponsors will remain responsible for ensuring the continued fiscal integrity of the project.

The authority to give preferences and defer income certifications will remain in effect until January 31, 2006 at which time the need for an extension will be re-evaluated.

If you have any questions about this Management Memo, please contact your HCD Asset Management Representative.